

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Dennis DeJoode,
Petitioner-Appellants,

v.

Polk County Board of Review,
Respondent-Appellee.

ORDER

Docket No. 09-77-1322
Parcel No. 080/03429-001-000

On October 13, 2010, the above-captioned appeal came on for hearing before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioner-Appellant, Dennis DeJoode, requested a hearing and submitted evidence in support of his petition. He was self-represented. The Board of Review designated Assistant County Attorney Anastasia Hurn as its legal representative. It also submitted documentary evidence in support of its decision. The Appeal Board now having examined the entire record, heard the testimony, and being fully advised, finds:

Findings of Fact

Dennis DeJoode, owner of property located at 1527 22nd Street, Des Moines, Iowa, appeals from the Polk County Board of Review decision reassessing his property. According to the property record card, the subject property consists of a one and one-half story dwelling with stucco exterior having 528 square feet of main level living area and 354 square feet of upper level living area, with a total of 882 square feet of living area. It also has 528 square feet of unfinished basement. The dwelling was built in 1916 and remodeled in 1980. It has a 4-05 quality grade and is in normal condition. The dwelling has been given a 50% reduction for physical depreciation. The dwelling is situated on a 0.155 acre site.

The real estate was classified as residential on the initial assessment of January 1, 2009, and valued at \$48,900, representing \$7600 in land value and \$41,300 in improvement value.

DeJoode protested to the Board of Review on the grounds that the property assessment was not equitable compared to like properties in the taxing jurisdiction under Iowa Code 441.37(1)(a); the property was assessed for more than authorized by law under section 441.37(1)(b); and there was an error in the assessment under section 441.37(1)(d). The specific error he claimed was that the property should have a lower assessed value because of neighborhood conditions and instability, such as abandoned homes, crime, and high foreclosure rate, and the declining economy. He claimed that \$46,800¹ was the actual value and a fair assessment of the property.

The Board of Review appraiser analysis included four 2008 sales of comparable property. The unadjusted sale prices ranged from \$15,870 to \$70,000, or \$16.00 to \$67.53 per square foot. Adjusted sale prices ranged from \$20,167 to \$59,734, or \$20.33 to \$56.14 per square foot. The subject property is assessed at \$55.44 per square foot which is within the adjusted range of values. The appraiser recommended the assessment remain unchanged, and the Board of Review denied the protest.

DeJoode filed his appeal with this Board and claimed there was an error in the assessment under Iowa Code 441.37(1)(d) and there had been a downward change in value of the property under sections 441.37(1) and 441.35. In a re-assessment year, a challenge based on downward change in value is akin to a market value claim. *See Dedham Co-op. Ass'n v. Carroll County Bd. of Review*, 2006 WL 1750300 (Iowa Ct. App. 2006). Accordingly, we do not consider downward change as a separate claim and consider only the claim of over-assessment.

DeJoode testified the Martin Luther King Parkway neighborhood, where the subject property is located, is in disrepair with a prevalence of run-down, boarded-up, abandoned, and foreclosure properties. He questions the 4% to 4 1/2% increase in assessment in this area when he observes

¹ The 2008 assessed value was \$46,800 and the 2009 value represents a 4.5% increase.

substantial decline in area conditions since the last reassessment. DeJoode believes there is a pattern of over-assessment in the neighborhood. DeJoode describes deficiencies in the subject property including foundation problems and basement wetness. He testified he was forced to install a privacy fence at the rear of the property to prevent community dumping on his property.

Cris Swaim of Swaim Appraisal Services in West Des Moines completed an appraisal of the property. Swaim describes the market area as consisting primarily of older homes built prior to 1950. He notes that many homes in the area show deferred maintenance and the market has a higher percentage of REO properties than most other markets throughout central Iowa. He inspected the interior and exterior of the property. He observed no recent updating has been done to the subject property and the flooring is old and worn. In Swaim's opinion, the property is in average condition with physical depreciation typical for its age.

Swaim completed the sales approach to valuation using six comparable 2008 sales within a distance of one mile of the subject property. The sale prices of the comparables ranged from \$45,000 to \$85,000 or \$32.99 to \$59.92 per square foot. Swaim made adjustments seller concessions, gross living area, condition, quality of construction, garages, heating/cooling features, and other amenities. Net adjustments ranged from -0.8% to -35.8%. Adjusted sale prices ranged from \$37,900 to \$67,300. Swaim values the property at \$51,000 by the sales approach.

Because the property is a residential rental, Swaim also completed an income approach to valuation. He estimated \$675 monthly market rent and a gross rent multiplier of 82 to arrive a value of \$55,350. The subject property rents for \$500. Swaim's final estimate of value, considering both the income and sales approaches, was \$51,000, as of January 1, 2009. The subject property is assessed at \$48,900, which is below Swaim's opinion of value.

Reviewing all the evidence, we find the preponderance of evidence does not support DeJoode's contention the subject property is assessed for more than authorized by law. We find the Swaim

appraisal provides credible evidence of the fair market value of the subject property and supports the January 1, 2009, assessment.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2009). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property "shall be one hundred percent of its actual value." § 441.21(1)(a).

In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). DeJooode failed to prove by a preponderance of evidence that the subject property is


assessed for more than authorized by law. To the contrary, the Swaim appraisal supports the assessment as accurately reflecting the property's fair market value as of January 1, 2009.


Viewing the evidence as a whole, we determine that substantial evidence was lacking to support DeJoode's claim the property was assessment for more than authorized by law as of January 1, 2009. Therefore, we affirm the DeJoode property assessment as determined by the Board of Review. The Appeal Board determines that the property assessment value as of January 1, 2009, is \$48,900, representing \$7600 in land value and \$41,300 in dwelling value.

THE APPEAL BOARD ORDERS that the January 1, 2009, assessment as determined by the Polk County Board of Review is affirmed.

Dated this 14 day of December 2010.


Jacqueline Rypma, Presiding Officer


Karen Oberman, Board Chair


Richard Stradley, Board Member

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>12-14</u> , 201 <u>0</u>	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	